

**BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO**

In the Matter of the Protest of	)	
	)	DOCKET NO. 17597
[REDACTED]. &	)	
[REDACTED],	)	DECISION
	)	
Petitioners.	)	
_____	)	

On July 9, 2003, the Tax Discovery Bureau (Bureau) of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayers), proposing income tax, penalty, and interest for taxable years 1997 through 2000 in the total amount of \$2,333.

The taxpayers filed a timely appeal. They did not submit additional information and did not request a conference. Therefore, the Tax Commission, having reviewed the file, hereby issues its decision based upon the information contained in the file.

Tax Commission records showed the taxpayers met the state income tax filing requirements and had not filed Idaho returns for taxable years 1997 through 2000. The Bureau attempted to contact the taxpayers for an explanation but they did not respond to the inquiries.

[Redacted] Idaho Code § 63-3045 (1)(a) states:

63-3045. Notice of redetermination or deficiency -- Interest.  
(1) (a) If, in the case of any taxpayer, the state tax commission determines that there is a deficiency in respect of the tax imposed by this title, the state tax commission shall, immediately upon discovery thereof, send notice of such deficiency to the taxpayer by registered or certified mail or by other commercial delivery service providing proof of delivery, whichever is the most cost efficient. The notice shall be sent to the taxpayer's last address known to the state tax commission. The notice of deficiency shall be accompanied by an explanation of the specific reason for the determination and an explanation of the taxpayer's right to appeal. Within sixty-three (63) days after such notice is mailed, the taxpayer may, at his option, file a protest in writing with the state tax commission and obtain redetermination of the deficiency.

Because the taxpayers had not filed Idaho income tax returns for the years 1997 through 2000 and did not respond to correspondence, the Bureau prepared returns on their behalf and sent them a Notice of Deficiency Determination. The taxpayers responded by letter stating their W-2 forms “may” show additional withholding and “it appears not all allowable exemptions were included.” They asked for additional time to collect the needed information and file the returns.

The Bureau wrote the taxpayers a letter acknowledging their protest and granting them the additional time they had requested. When the taxpayers did not submit their returns within the agreed time, the Bureau sent them two additional letters.

Nothing further was heard from the taxpayers and their file was transferred to the Legal/Tax Policy Division for administrative review. The Tax Appeals Specialist sent the taxpayers a letter explaining their options regarding their appeal. However, the letter did not prompt a response from the taxpayers.

Tax Commission records show that during the years 1997 through 2000 the taxpayers were Idaho residents with Idaho sourced income in excess of Idaho’s filing requirement. These facts the taxpayers do not dispute. However, they have not filed Idaho individual income tax returns for any of the years at issue and have given no indication when the Tax Commission might expect to receive those returns.

The Bureau used the income shown [Redacted] to calculate the Idaho tax amount while allowing the standard deduction and credit for four personal exemptions. Withholding that was identified in Tax Commission records and four grocery credits reduced each year’s tax amount. The Bureau added interest and penalty pursuant to Idaho Code §§ 63-3045 and 63-3046. The Tax Commission reviewed those additions and found them proper and in accordance with Idaho Code.

A Notice of Deficiency Determination issued by the Idaho State Tax Commission is presumed to be accurate. Parsons v. Idaho State Tax Com'n, 110 Idaho 572 (Ct. App. 1986). Having presented no information in support of their argument, the taxpayers have failed to meet their burden of proving error on the part of the deficiency determination. Albertson's, Inc. v. State, Dept. of Revenue, 106 Idaho 810 (1984).

WHEREFORE, the Notice of Deficiency Determination dated July 9, 2003, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayers pay the following tax, penalty, and interest.

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
1997	\$ 369	\$ 92	\$ 153	\$ 614
1998	293	73	99	465
1999	352	88	93	533
2000	524	131	97	<u>752</u>
			TOTAL	<u>\$2,364</u>

Interest is computed through February 15, 2004.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of taxpayers' right to appeal this decision is enclosed with this decision.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2004.

IDAHO STATE TAX COMMISSION

\_\_\_\_\_  
COMMISSIONER

#### CERTIFICATE OF SERVICE BY MAIL

I hereby certify that I have on this \_\_\_\_ day of \_\_\_\_\_, 2004, served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.

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